GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4085
ANSWERED ON:18.04.2002
DISINVESTMENT OF HPCL AND BPCL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether HPCL and BPCL have been referred for disinvestment;

(b) if so, whether real estate has to be the key factor in HPCL and BPCL valuation;

(c) if so, the total property owned by these two companies at present; and

(d) the extent to which real estate is likely to play major role in valuation of these two companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY O PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) The Government have decided `in principle` to disinvest a part of its holding in BPCL and HPCL through strategic sale.

(b) The valuation of shares of companies for disinvestment is done by Government with the assistance of advisers and asset valuers who take into account all relevant factors under certain valuation methodologies including the value of fixed assets of the companies.

(c) The cost of freehold land and buildings as per books of account as on 31.3.2001 is about Rs.1396.97 crore for BPCL and Rs.913 crore for HPCL.

(d) The importance of real estate in the valuation of BPCL and HPCL by bidders may depend on a number of factors including the bidder`s perception of business potential and strategic importance of assets of these companies.